

Medicare Part D:

Implications for Individuals with MassHealth/CommonHealth and Medicare



Focus of Today's Presentation

Helping you to choose the
Medicare Prescription Drug Plan
that is right for you.

Topics to be Covered

1. Overview
2. Dual eligibility
3. Enrollment Considerations
 - A. Coverage - formularies
 - B. Cost - subsidies
 - C. Convenience – location
4. Steps to Successful Enrollment
5. Exceptions and Appeals

Overview of Medicare Part D

Name of the law: Medicare Prescription Drug Improvement and Modernization Act (MMA) of 2003

- Provides outpatient prescription drug coverage for Medicare recipients
- Dual eligibles will receive medications via Medicare instead of MassHealth.
- All new provisions are effective 1/1/06.

Who Is A “Dual Eligible?”

- A person on Medicare...
 - Senior ‘Retirement’ OR ‘Disability’ (SSDI)
- Who also receives “Medicaid”
 - MassHealth Standard
 - MassHealth CommonHealth (MH/CH);
 - Other special MassHealth categories (i.e. frail elders)
 - May or may not have SSI
- Who has been receiving prescription drugs through MassHealth

Medicare Part D Does Not Apply to:

1. People with Only SSI & Medicaid (MassHealth or MassHealth CommonHealth).
2. People with SSDI in 24 - month Medicare waiting period.

Primary Issues for Dual Eligibles

- MassHealth medication coverage* ends on 12/31/05 for 'duals.'
- Required by Part D to get medications via a Medicare Prescription Drug Plan as of 1/1/06.
- Medicare beneficiaries will choose a private plan from many options.
- Enrollment in Medicare Part D: 11/15/05 – 12/31/05

* For most medications

What about my MassHealth?

- Prescription drug coverage is the only coverage that will change.
- Medical coverage will remain the same.

For a Successful Transition

1. Evaluate the Plan you've been assigned to.
2. Identify and compare other plans and coverage.
3. Enroll in a plan: 11/15/05 - 12/31/05.

The 3 C's of Choosing A Plan

- Coverage
 - Type of plan
 - Formulary design
- Cost
 - Extra Help
 - Cost share
- Convenience
 - Location of pharmacy, network providers (MAPD plans only) and services

Consideration: Coverage

1. Type of Plan
2. Formulary Design

Types of Medicare Plans

PDP

“Original” Medicare
(Fee-For-Service plan)

+

Private Prescription
Drug Plan

MA-PD

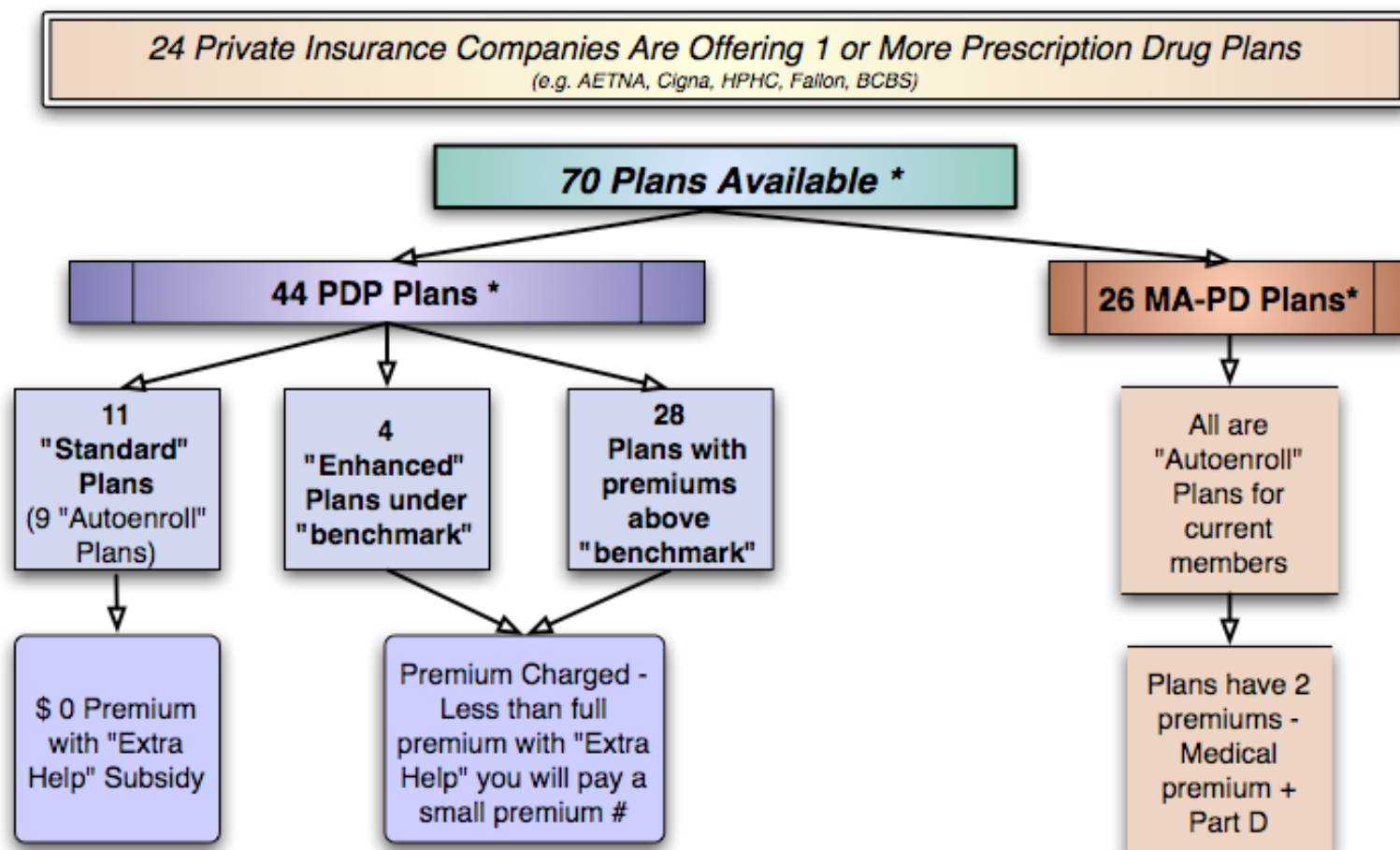
Medicare
Advantage
Prescription Drug
Plan

“Integrated Health Care”
HMO, PPO
Medical & Prescription
Drug Coverage

OR

The Big Picture

Medicare Prescription Drug Plans - Spotlight Massachusetts



* Based on hand count. Stated total is "61" but only 44 actually displayed

DISCLAIMER: FOR GENERAL GUIDANCE USE ONLY. This information was retrieved from the Medicare Plan Finder website at <http://www.medicare.gov/MPDPF/Shared/Include/DataSection/Results/Overview.asp#PDP>. The author does not guarantee accuracy as information differs and conflicts within the www.medicare.gov website.

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Choosing a Plan - Medications & Formularies

Formulary = Covered drugs listed by “class” and any special rules on cost and coverage.

All Plans will use “formularies” to describe coverage

Antihistamines-Allergy*
CLARINEX
<i>Loratadine</i>
<i>Promethazine</i>

*Retrieved from AdvantraRx Value formulary

Plans: Formulary Rules

- Plans must have minimum of 2 drugs per class for most drug classes.
- Formularies must include “all or substantially all” medications in the following classes:
 - Antidepressants
 - Antipsychotics
 - Anticonvulsants
 - Antiretrovirals (HIV/AIDS)
 - Immunosuppressants
 - Antineoplastics (Cancer)

Formularies: Off-label Use

- “Off-label use” = using a drug for a different purpose than originally approved by the FDA.
 - Plans are not required to approve off-label use.
 - Plans must follow common medical practice.
- CHECK WITH PLAN to find out their policies.

Learning About Plans

Formulary Rules

- Excluded Drugs - Will not be in ANY plan :
 - Anorexia, weight loss, or weight gain drugs
 - Fertility drugs
 - Drugs for cosmetic purposes or hair growth
 - Products for symptomatic relief of cough and colds
 - Prescription vitamins and mineral products
 - Except prenatal vitamins and fluoride preparations
 - Non-prescription drugs (O-T-C e.g. Motrin 800 mg)
 - Barbiturates (Phenobarbital)
 - Benzodiazepines (Klonopin, Atavan)

The Good News for Duals

MassHealth will continue covering
Barbiturates, Benzodiazepines and
other excluded medications for duals.

In order for the excluded drug to
qualify:

- MassHealth must already cover it, and
- it is not covered under Medicare Part D

Permissible Formulary Restrictions

- Quantity Limitations (QL) - Only permitted to get a certain number (e.g. 10 Ambien per month).
- Prior Approval (PA) - Must have permission for use to receive coverage.
- Generic Substitution - Generic drug dispensed unless otherwise negotiated.
- “Step Therapy” - May be required to start with another drug with a longer/stronger track record.
- Age - Must be in an age bracket to get coverage.

Step-Therapy Formulary Example*

Anti-Inflammatories-Arthritis/Pain	
CELEBREX	ST, PA, QL
Diclofenac	
Etodolac	
Ibuprofen	
Indomethacin	
Ketoprofen	
Naproxen	

*Copied from AdvantraRX Value formulary 10/16/05

Formulary Changes

Plans can change formularies during year:

- After March 2006, with CMS approval.
- Must provide 60 days notice to plan member, physician and pharmacy.
- Allowed to change coverage of specific medications, tier placement, and rules for use (i.e. prior approval).
- Cannot remove drug “class” during year.

Changing Your Plan

- Dual eligibles are allowed to change plans anytime, effective the first day of next month.
- Everyone else can only change plans during open enrollment periods.
 - First open enrollment is from November 15, 2005 to May 15, 2006.
 - Open enrollment will generally be from November 15th to December 31st.

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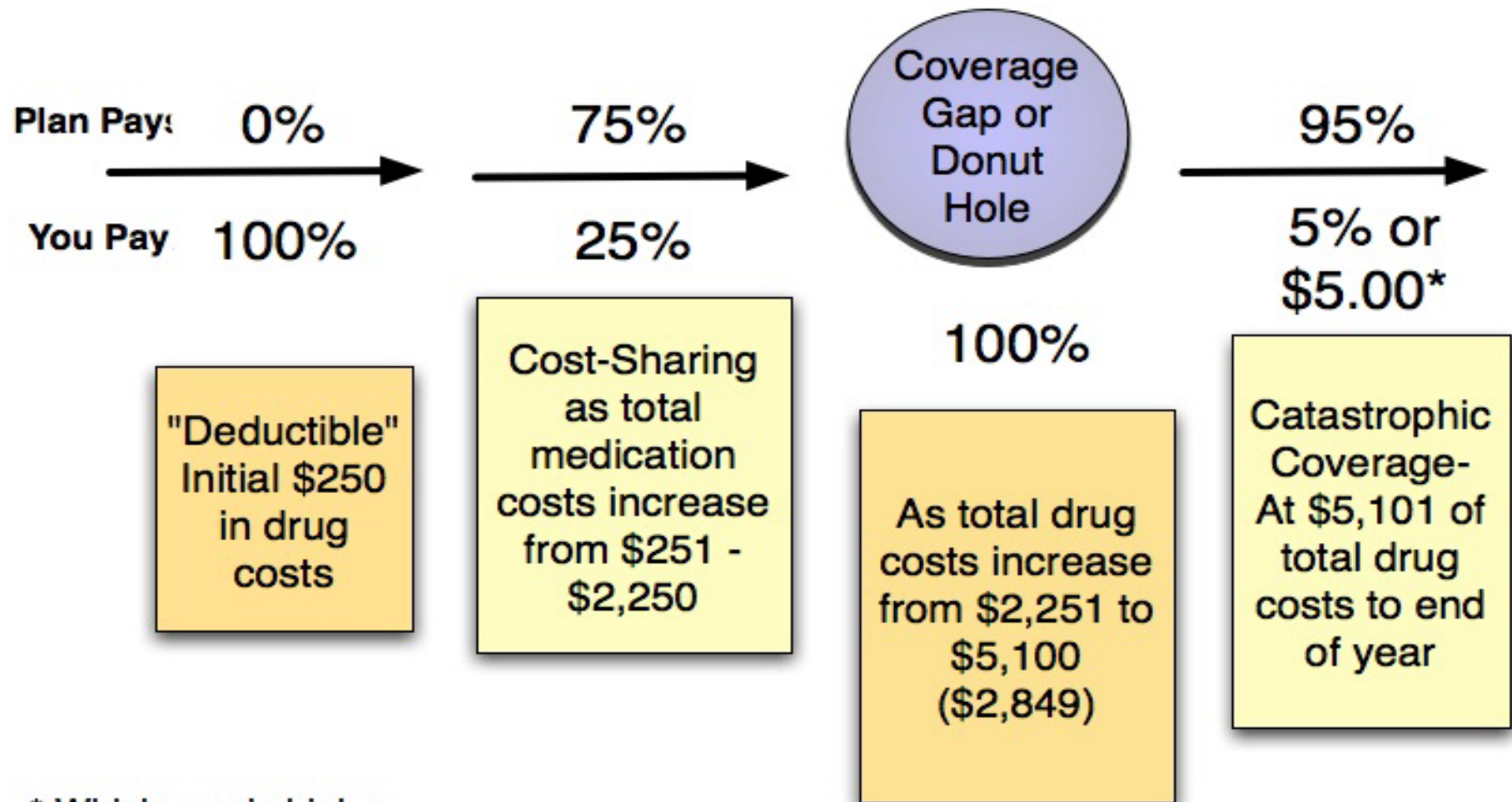
Consideration: Cost

“Extra Help”

“Extra Help” is a term used to describe a financial subsidy.

- Duals automatically get full subsidy or “extra help.” (Income & assets are not reviewed).
 - Beneficiaries should have received a letter in May/June informing them of automatic status for “extra help.”
- Others must apply for the subsidy.

Standard Benefit Beginning January 1, 2006



* Whichever is higher

"Dual" Benefit Beginning January 1, 2006

~~Monthly
Premium +~~

~~"Deductible"
Initial \$250 in
drug costs~~

~~Cost-Sharing as
total medication
costs increase
from \$251 -
\$2,250~~

~~Coverage
Gap or
Donut
Hole~~

~~Catastrophic
Coverage-
At \$5,101 of total
drug costs to end
of year~~

Duals Only Pay:

If Income is Below 100% Fed Poverty Limits (FPL):

\$1.00 for Generic Drugs

\$3.00 for Brand Name Drugs

If Income is Above 100% FPL:

\$2.00 for Generic Drugs

\$5.00 for Brand Name

No Co-pays after \$3,800 out of pocket

“Extra Help” - Non-Duals

- People on Medicare ONLY, may still be eligible for “extra help”.
- Income and assets levels will be considered.
- Non-duals MUST APPLY for the subsidy.
- Applications can be made at any time, at any Social Security office.

MassHealth/CommonHealth

1. Provides MassHealth Standard benefits to people with disabilities who are:
 - a. Working and Non-Working
 - Working: 40 hours per month; pay premiums based on income.
 - Non-Working: Accrue one-time deductible (Spend Down)
2. Can put a person with NO subsidy eligibility into “dual eligible” category.
3. Apply at any MassHealth Enrollment Center.

Types of Plans

- Insurance Companies may offer 2 types of plans you can choose from:
 - Standard or “Benchmark”
 - Enhanced
- Premiums differ depending on the plan
- “Extra help” subsidy may not cover all premiums

Limits of Extra Help

- Subsidies apply to The Standard, or “Benchmark” plan: \$30.27 premium.
 - For higher cost plans, you pay the difference between the benchmark amount and premium for the plan.

Plan Name	Premium	Duals Pay:
PacifiCare Saver Plan	\$22.04	\$00
Sterling Plus RX	\$56.30 (-30.27 =) \$26.03	

**Figures retrieved from www.medicare.com 10/22/05
Center for Health Policy and Research

Limits of Extra Help: 2

- Companies may also offer “enhanced” plans.
 - Subsidy applies to basic plan ONLY WHEN both are below ‘benchmark’ cost.
 - For the ‘enhanced’ plan, you pay the difference in premium costs of the two plans.

Plan Name - Coventry	Premium	Duals Pay:
AdvantraRX Value	\$19.35	\$00
AdvantraRX Premier	\$29.74* (-19.35 =) \$10.39	

*Below \$30.27 Benchmark

**Figures retrieved from www.medicare.com 10/22/05

Formulary Costs

- Medication costs - Formularies outline drug costs in a variety of ways:
 - “Co-Insurance” Tier - Consumer responsibility for percentage of drug cost, increases at each tier level.
 - “Co-Pay” Tier - Each tier requires a higher co-pay (e.g. \$10/\$20/\$30).
- Those with full subsidy including duals, pay between \$1 and \$5 regardless of the formulary design.

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Consideration: Convenience

- Drug Plan pharmacy networks
 - Prescription drug plans will utilize specific pharmacies and pharmacy networks.
 - Check to see if the plan you choose works with your pharmacy.
 - May use “out of network” pharmacies in certain circumstances, e.g. traveling.

Enrollment and Auto-enrollment

- Dual Eligibles - Automatic Enrollment
 - Notification of assigned plan will advise person that he/she will be enrolled on January 1st if the person hasn't already enrolled in another plan.
- Random Assignment
 - Auto-enrollment is not personalized, and may not match your needs!
 - Evaluate plans and enroll in the plan that best meets your personal needs.
- Auto-enrollment should be viewed as a “safety net” only.

How to Enroll

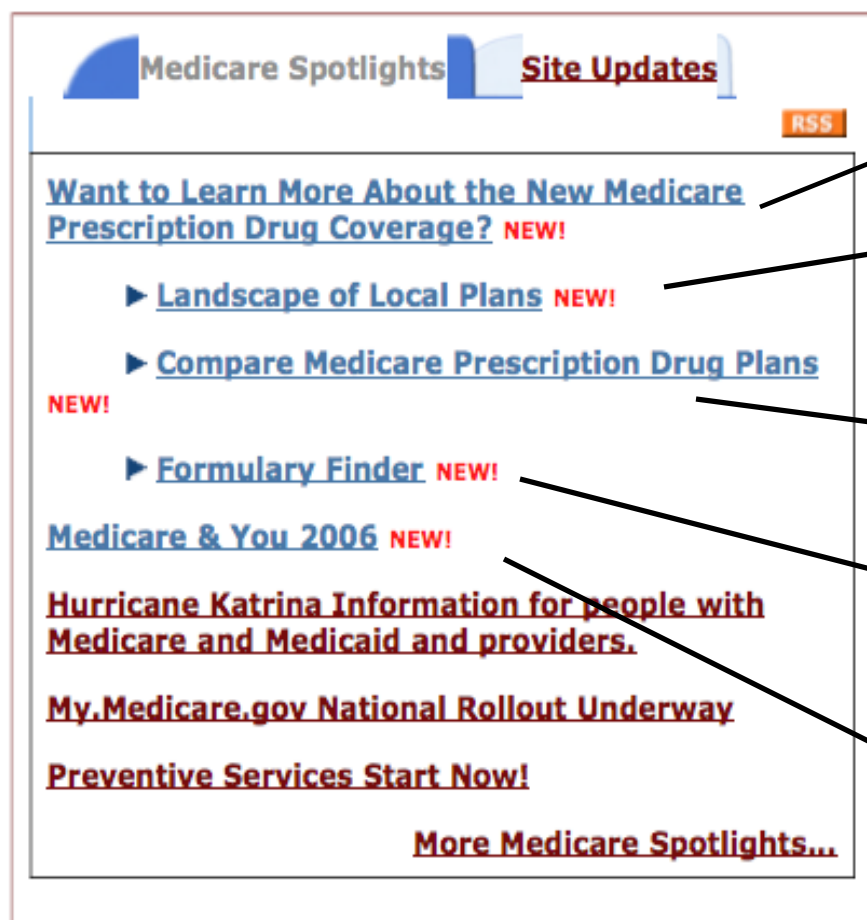
- Check the Medicare webpage to:
 - Go to www.medicare.gov
 - Select plans in your area
 - Select plans by formulary
- Clarify medication, cost, and enrollment information with the plan itself.
- Enroll online on the Medicare website, on the Plan's website, or by phone.

What You Will Need to Research Plans

- A list of your medications
 - What your medication is taken for
 - The dosage
 - How often you take it
 - Generic or brand name
 - Off-label, are there alternatives?
- Your Medicare number
- Date of Birth
- Effective date of either Medicare A or B
- Zip Code

www.medicare.gov

Homepage



General Info on Part D

List Plans by State & Region

Personalized Information

Personalized Information Based on Your Medications

Links to Updated/Corrected Regional 2006 Booklet

What You'll See....

List of Plans by State

More general Info

Medicare.gov - MPOR: Intro 11/02/2005 11:00 AM

Home | Screen Reader Version | Printable-Version | Español
The Official U.S. Government Site for People with Medicare
Help | Frequently Asked Questions | Mailing List | Search Tools

Use Larger Font | Search Medicare.gov

Find a Medicare Prescription Drug Plan

Prescription Drug Plan Finder | Learn How Plans Work | Plans In Your State

Welcome to the Medicare Prescription Drug Plan Finder

Starting January 1, 2006, new Medicare prescription drug coverage will be available to everyone with Medicare, regardless of income, health status, or how you pay for prescription drugs today.

Everyone with Medicare needs to make a decision about prescription drug coverage. Even if you don't use a lot of prescription drugs now, you should still consider joining a plan.

Remember, to get the coverage, you must join a plan.

The Medicare Prescription Drug Plan Finder will help you:

- Learn about the new Medicare prescription drug coverage
- Find and compare prescription drug plans that meet your personal needs
- Enroll in the prescription drug plan that you select

Where would you like to begin?

Find a Medicare Prescription Drug Plan

Enroll in a Medicare Prescription Drug Plan (Starting November 15, 2005)

Learn how Medicare Prescription Drug Plans Work

Important coverage information for individuals who currently receive prescription drug coverage through Military retiree benefits (TRICARE), Veteran benefits (VA), or Federal employee retiree benefits (FEHBP)

Benefits of the new Medicare prescription drug coverage

- It is available to all people with Medicare.
- It will pay for about half your drug costs.
- Almost 1 in 3 people will qualify for extra help paying for their drug costs.
- It protects you against ever having very high drug expenses.
- It pays for brand-name and generic drugs.

Learn more about

Why you should enroll in a plan

Learn more >

Prescription Drug Plan Finder | Learn How Plans Work | Plans In Your State

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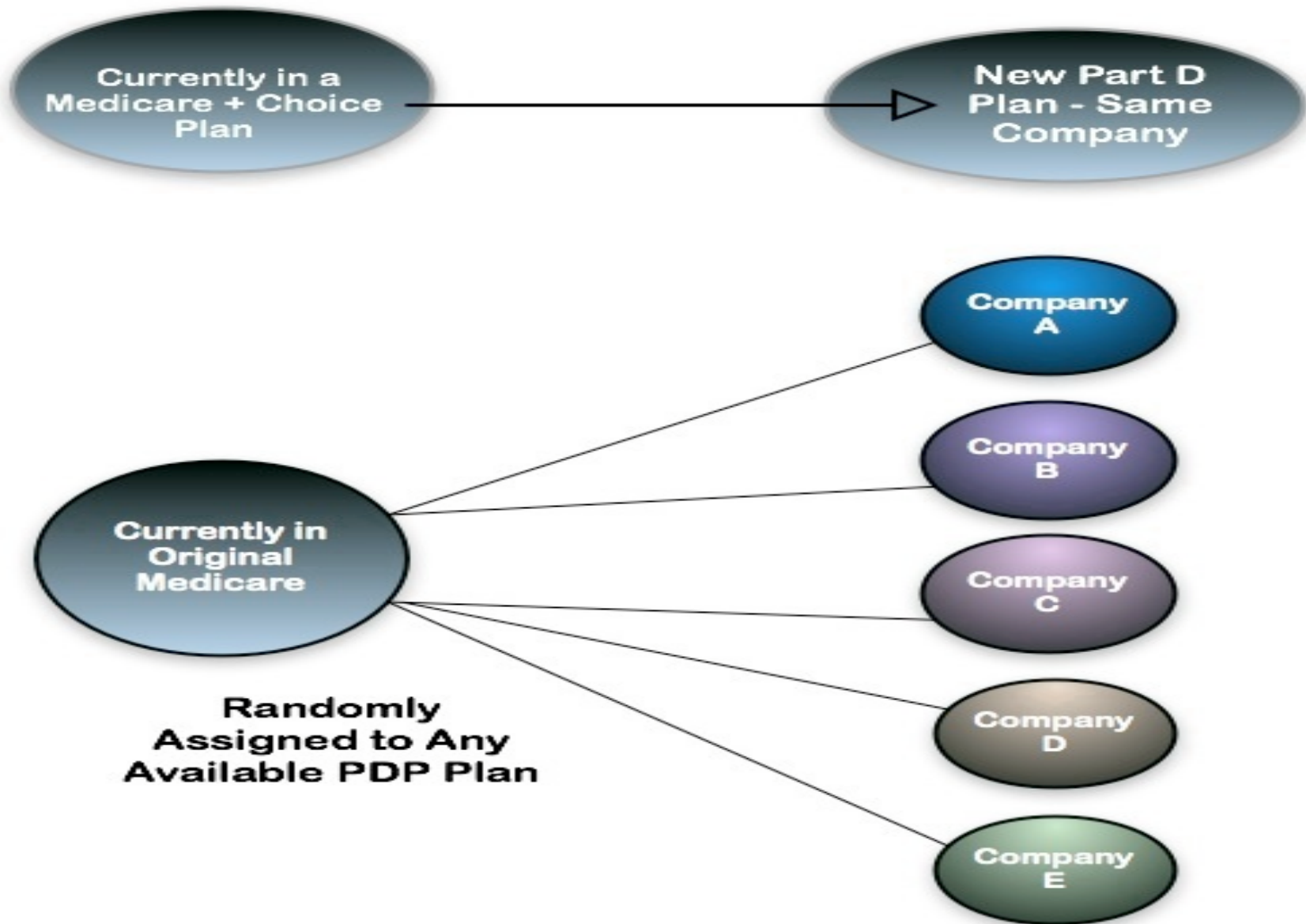
Learn more about

Why you should enroll in a plan

Learn more >

Personalized Information

Automatic (Auto) Enrollment Process



“What do I do if...?”

Exceptions & Appeals

- You may request an “exception” if:
 - Your medication has been removed from the formulary;
 - You are prescribed a non-formulary drug that is medically necessary;
 - The cost-sharing status of a drug you are using changes;
 - A drug covered under a more expensive cost-sharing tier is prescribed because the drug covered under the less expensive cost-sharing tier is medically inappropriate (does not apply to those with full subsidy).

Exceptions & Appeals

- Facilitates access to medications:
 - That are medically necessary
 - That are Medicare covered
- Provides a process to obtain medications:
 - At a more favorable cost-sharing level
 - Not on the formulary or being removed from formulary
- Exception process can be expedited
 - 24 hours for initial decision

Getting Ready to Enroll

- ✓ Gather personal information
 - “My Medications” - List all medications, dose, etc.
- ✓ Compare plans
 - See www.medicare.gov to Compare Drug Plans
 - Confirm information with Private Part D Plans
- ✓ Choose a Plan
 - Decide which plan has the medications you need, with a cost you can afford, and a pharmacy near you.
- ✓ Enroll online or contact the Plan directly.

The Massachusetts Medicaid Infrastructure and Comprehensive Employment Opportunities Grant (MICEO) is a collaborative project of the Massachusetts Executive Office of Health and Human Services, the Institute for Community Inclusion at UMass Boston, and the Center for Health Policy and Research at UMass Medical School.

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